Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Text

CONFIDENTIAL

PAGE 01 ISTANB 04812 131539Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03
CIEP-01 LAB-04 SIL-01 OMB-01 STR-04 /089 W
---------- 110661 /63
R 131337Z DEC 76
FM AMCONSUL ISTANBUL
TO AMEMBASSY ANKARA
INFO SECSTATE WASHDC 8384
AMVONSUL ADANA 1360
AMVONSUL IZMIR 1672

C O N F I D E N T I A L ISTANBUL 4812

E. O. 11652 GDS
TAGS: EINV, TU
SUBJ: GOT REFUSAL OF WORK PERMITS FOR U.S. INVESTORS

REF: (A) ANKARA 4398; (B) ISTANBUL 4734 (NOTAL)

1. IN ADDITION TO PROBLEMS FACED BY AMERICAN INVESTORS RAISED BY AMBASSADOR WITH FOREIGN MINISTER LAST JUNE, AN OLD PROBLEM, WHICH HAD BEEN DORMANT FOR PAST SEVERAL YEARS, HAS AGAIN SURFACED. THIS IS REFUSAL OF WORK PERMITS FOR FOREIGN NATIONAL (REPORTED REF B). AT OUR SUGGESTION, MANAGING DIRECTORS OF UNIROYAL, GOODYEAR, AND THE TWO GENERAL ELECTRIC INVESTMENTS IN TURKEY WHO, AS FAR AS WE HAVE BEEN ABLE TO DETERMINE ARE ONLY U.S. FIRMS THAT CURRENTLY HAVE PROBLEMS WITH WORK PERMITS, MET AT CONGEN DECEMBER 10.

2. WORK PERMITS ARE BEING DENIED TO FACTORY MANAGERS IN CASE OF TWO TIRE COMPANIES, AND TO TWO FINANCIAL DIRECTORS OF THE GE FIRMS. EACH HAS RECEIVED FROM COMMERCE MINISTRY WRITTEN NOTICE OF REFUSAL OF WORK PERMITS, EXCEPT IN THE CASE OF UNIROYAL WHICH HAS RECEIVED SHORT THREEZAMONTH EXTENSION, I. E., THROUGH MARCH 1977. AMERICAN FIRMS UNDERSTAND THAT THEY MUST SUBMIT FORMAL REPLY WITHIN 30 DAYS (LETTERS OF REFUSAL WERE DATED BETWEEN NOVEMBER 16 AND 21) OR REFUSAL BECOMES FAIL ACCOMPLI. AMERICAN REPRESENTATIVES HAD HEARD THAT ITALIAN JOINT VENTTURE PIRELLI AND TOFAS(FIAT) HAVE SIMILAR PROBLEM AND THAT ITALIAN AMBASSADOR
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ISTANB 04812 131539Z

HAD RAISED ISSUED SEVERAL WEEKS AGO WITH PRIME MINISTER DEMIREL.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

LATTER REPORTEDLY GAVE ASSURANCES THAT PROBLEM WOULD BE TAKEN CARE OF.

3. GE REPRESENTATIVES INFORM US THAT THEY INTEND TO RAISE ISSUE AT DECEMBER 5 APPOINTMENT WITH AMBASSADOR MACOMBER. THEY WILL ALSO BE SPEAKING ON BEHALF OF TWO TIRE COMPANIES. RESPS BELIEVE REFUSALS BASED LARGELY ON NEGATIVE ATTITUDE AT HIGHEST LEVELS WITHIN THE STATE PLANNNING ORGANIZATION. AMONG POINTS THEY MADE WERE POTENTIAL AFFECT ON FOREIGN INVESTMENT ELIMATE OF EXCESSIVELY RESTRICTIVE GOT POLICY ON WORK PERMITS, FACT THAT SEVERAL OF FIRMS INVOLVED EMPLOY LARGE NUMBER SO TURKISH NATIONSL IN EUROPE AN , IN THE CASE OF TIRE COMPANIES, THE LOSS OF A NUMBER OF KEY PERSONNEL TO THE NEW TURKISH TIRE FIRM LASSA WHICH MAKES IT ESSENTIAL THEY RETAIN AMERICAN OR FOREIGN FACTORY MANAGER . AS TACTICAL MEASURE, ALL FIRMS INTEND TO REQUEST OPEN-ENDED EXTENSION OF PERMITS SINCE THEY CONVINCED THAT , IT REQUEST MADE FOR ONE YEAR ONLY, ADDITIOANL RENEWALS WILL BE DENIED. HOWEVER, THEY ARE PREPARED AS A FALL BACK POSITION TO SETTLE FOR ONE-YEAR EXTENSIONS.

4. COMMENT: IN GENERAL, AMERICAN FIRMS HAVE REDUCED NUMBERS OF FOREIGN EMPLOYEED BY ABOUT HALF OVER PAST TEN YEARS. IN THE CASE OF LARGER MANUFACTURING FIRMS HER, INCLUDING GE, GOODYEAR AND UNIROY), THE REDUCTION HAS BEEN EVEN GREATER, FROM A TOTAL OF 51 IN MID-1960'S TO 19 IN 1972; AT PRESENT THEY HAVE 11 FOREIGN EMPLOYEES, FOUR OF WHOM HAVE BEEN REFUSED WORK PERMITS. FOR FIRMS AFFECTED BY CURRENT REFUSALS, FINANCIAL DIRECTORS AND FACTORY MANAGERS CONSIDERED KEY PERSONNEL AND LOSS OF THESE POSITIONS WOULD IMPAIR ABILITY OF COMPANIES TO MAIN-TAIN THE MOST EFFICIENT OPERATIONS AS WELL AS TO RETAIN CONFIDENCE OF THEIR INTERNATIONAL HEADQUARTER.
OGDEN

CONFIDENTIAL

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, DISCRIMINATION, WORK PERMITS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: powellba
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ISTANB04812
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760459-0455
From: ISTANBUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761249/aaaabqez.tel
Line Count: 93
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 ANKARA 4398, 76 ISTANBUL 4734
Review Action: RELEASED, APPROVED
Review Authority: powellba
Review Comment: n/a
Review Content Flags:
Review Date: 22 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 JUN 2004 by ellisoob>; APPROVED <25 OCT 2004 by powellba>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOT REFUSAL OF WORK PERMITS FOR U.S. INVESTORS
TAGS: EINV, TU, US
To: ANKARA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006